

Beyond Wages

Delaware Job Benefits

Includes:

Day Care

Telecommuting

Holidays

Vacation

Health Care

Retirement

Tuition Assistance



Retirement

Health Care



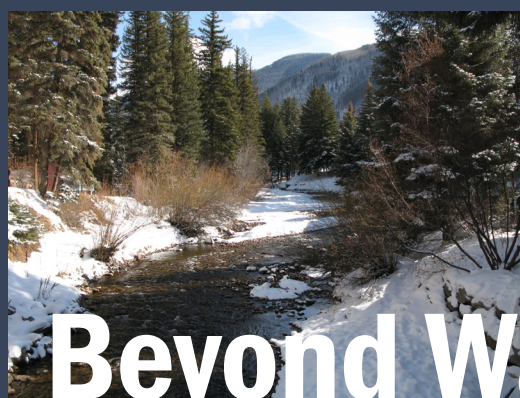
Day Care



Office of Occupational & Labor Market Information

Delaware Department of Labor

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Beyond Wages

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INTRODUCTION

This is the fifth survey of benefits and conditions of employment in Delaware; the first four were conducted in 1997, 1999, 2001, and 2005. After the first three surveys, we found that benefits provision was changing too slowly to warrant continued surveys every other year. Increasing the time between surveys makes changes in benefits more visible and reduces the burden on employers.

Only private employers were included in the survey, just as in 2005. Surveys prior to 2005 also included government agencies. In all comparisons with those earlier surveys, the government responses have been removed.

During the second half of July 2010, a two-page survey form was mailed to 1,440 private employers in the state randomly selected from a stratified sample (technical details about the survey, as well as the survey form itself, are included in the Appendix). Half of the state's private workforce is employed at firms included in the survey. Firms responding to the survey represent 18.5 percent of the state's private workforce. The survey responses represent a broad cross section of employers by size, industry, and geography.

We would like to thank each employer in Delaware who took the time to complete and return the survey form. We are grateful for their efforts and hope that they find this report useful.

For additional copies of the report, or to offer comments, please contact George Sharpley at 1-800-452-1589 or (302) 761-8060. You may also contact Dr. Sharpley by e-mail at george.sharpley@state.de.us or by regular mail at:

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Highlights

- Overall, there has been continued erosion in many benefits at Delaware's private employers. It appears that employment benefits in general were most pervasive about ten years ago.
- The number of firms offering health care benefits fell, particularly among mid-size and larger firms.
- Most firms that offer health care benefits offer only one type of plan. Preferred Provider Organization (PPO) plans are most common.
- Approximately 84 percent of the state's private workforce is employed at firms where health care benefits are offered, down from 88 percent in 2005 and 93 percent in 2001.
- The traditional defined-benefit retirement plan is not dead. Nearly half of the full-time workers at private firms with greater than 100 employees participate in one.
- Firms with a traditional defined-benefit retirement plan tend to also have greater participation in a defined-contribution 401(k)-type plan than firms where the 401(k) plan is the sole retirement option.
- Flexible work schedules appear to be more common than in the past, particularly at larger firms.
- There were declines in paid time off for holidays and vacation. There were increases in paid time off was for military leave at large employers and for personal time.
- Day care benefits, whether in the form of subsidies or on-site care, remain extremely rare.
- Telecommuting has continued to slowly grow. Over one-quarter of firms allow at least some of their workers to work from home at least part of the time.
- College tuition assistance has declined as a benefit, especially at smaller firms.



Part-time Work

Twenty-two percent of the jobs at Delaware's private employers are part-time. This proportion has remained remarkably consistent since our first benefits survey in 1997 found that 21 percent of the state's jobs, private and public, were part-time. What has increased notably is the percentage of people working part-time who would prefer to be working full-time (this is known as working part-time for economic reasons). Though still a minority of part-time workers, those working part-time for economic reasons rose from just 10 percent of all part-time workers at the time of our last benefits survey in 2005 to 20 percent in 2010.

The percentage of part-time workers varies greatly by industry, ranging from

less than 1 percent in Manufacturing up to 66 percent in Accommodation and Food Services. The industry known as Other Services had the second-highest proportion of part-time workers with 55 percent; in the 2005 survey it had the highest percentage of part-time workers at 70 percent (included in this industry are things such as repair and maintenance services, personal care services, and religious, civic and professional organizations).

The percentage of part-time workers also varies by employer size, although not as dramatically. As we found in all four of our previous benefits surveys, the largest firms tend to have the lowest percentage of part-time workers. Businesses with 250 or more employees average 19 percent part-time employment, the same as in 2005. At firms

with fewer than 250 employees, part-time workers are, on average, about one-quarter of the workforce.

Temporary Employment

A large majority of firms, 91 percent, report that none of their workforce is contracted through temporary employment services. In 2005, 17 percent of firms reported having some temporary employees; the current finding of only 9 percent is a significant decline. Most likely, this change is a result of the weak hiring environment in the aftermath of the recession. The last time our benefit survey took place in a recessionary environment, in 2001, we also found a substantial drop in temporary employment. We estimate that there were about 5,500 workers being hired through temporary agencies at the time of this survey (mid-summer 2010), down from the 8,000 we found in 2005. The current number will likely rise as economic growth returns.

The use of temporary help increases steadily as firm size increases. Less than two percent of firms with fewer than 20 employees reported the use of any temporary workers at all; only 0.4 percent of the total employment at these firms is through temporary agencies.

At the largest firms, those with 250 or more workers, a majority of firms (55 percent) reported hiring some workers through temporary agencies. Just under three percent of the workforce at these largest firms consists of temporary workers.

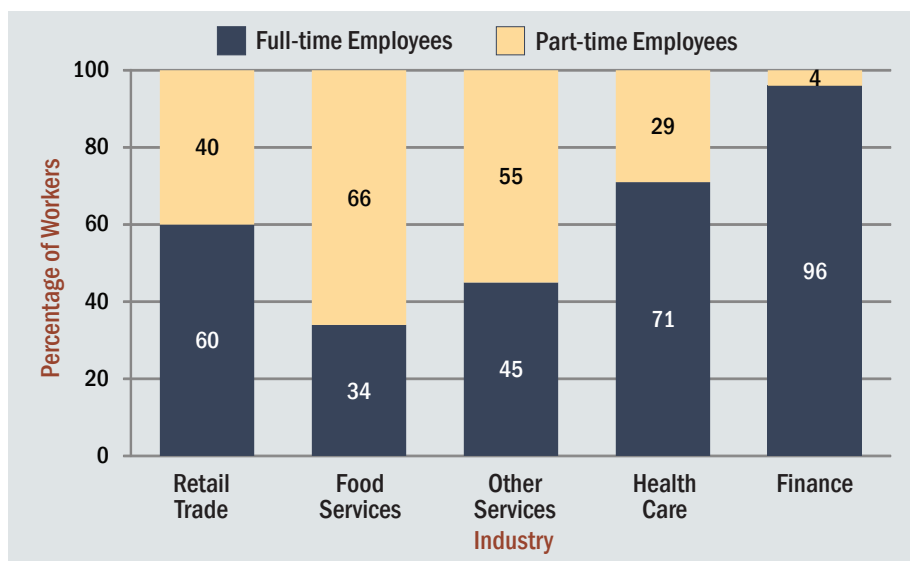


FIGURE 1. Part-time and Full-time Employment by Selected Industry

Minimum Wage

Overall, about 10,000 workers at private firms were paid the minimum wage of \$7.25 per hour for non-tipped employees in 2010. This represents three percent of the total private covered¹ workforce. This is a substantial increase from the 1.9 percent at the then minimum we found in 2005, but it is the same percentage we found in 2001. What seems to be happening is that the number of workers earning the minimum increases each time the minimum wage is raised, then slowly declines as market conditions make the legislated minimum less relevant. The minimum wage has been at its current value since July, 2009.

The largest firms are significantly less likely to pay just the minimum, with over 99 percent of the jobs there paid above that level. Medium-sized firms with 50 to 249 workers reported 6 percent of their workforce being paid the minimum, with smaller firms reporting half that rate. More than half of Delaware's minimum-wage workers are employed at firms with less than 250 and more than 49 employees.

Only four industries average greater than one percent of their workforces at the minimum: Arts, Entertainment, and Recreation, at 1.7 percent; Real Estate and Rental and Leasing, at 4.4 percent, Administrative and Support and Waste Management and Remediation Services, at 6.3 percent; and Accommodation and Food Services, at 13.8 percent.

Of the 513 firms which responded to this question, 442 indicated that all of their workers earned more than the minimum wage. The other 71 reported some workers being paid the minimum wage. Those firms which did report some minimum wage employment averaged 23 percent of their workforce at the minimum.

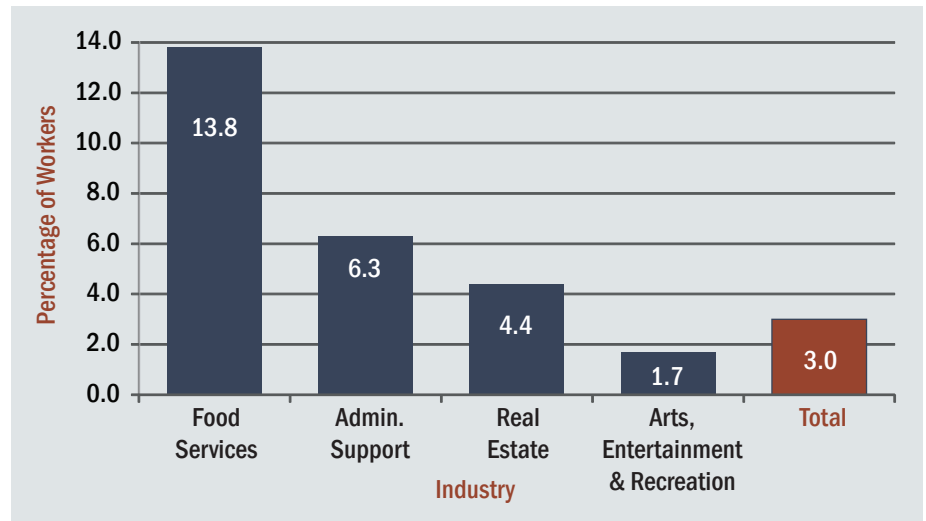


FIGURE 2. Percentage of Workforce at Minimum Wage by Selected Industry

Day Care

There has been no change in the provision of day care benefits at Delaware's private employers. On-site day care and/or subsidies for off-site day care remain extremely rare. If anything, this benefit has declined since our first survey in 1997, although the change is statistically insignificant.

Out of 516 employers responding to this question, only 16 provide some sort of day care benefit. Two say they provide on-site day care facilities, eight say they provide subsidies for off-site care, and another six indicate that they provide both facilities and subsidies. Our findings on day care as an employment benefit have been essentially the same in every survey since 1997.

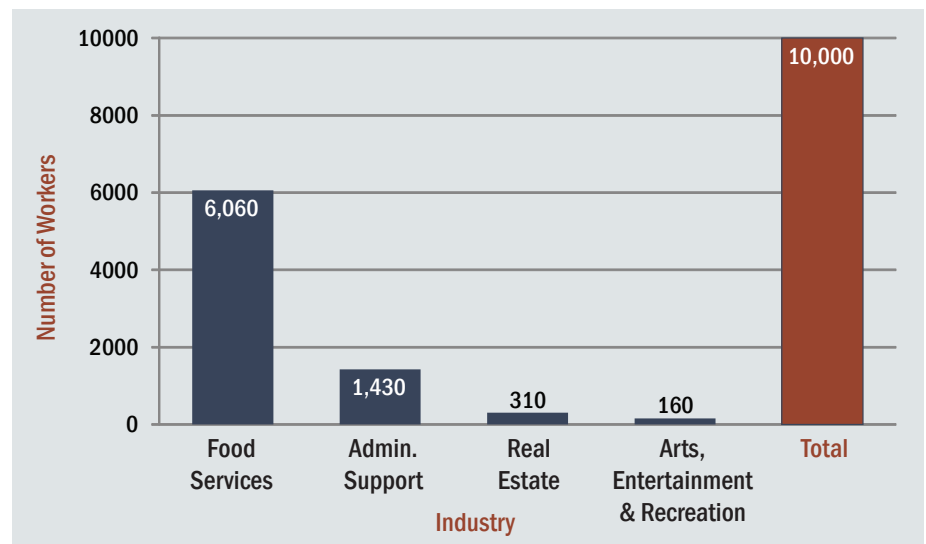


FIGURE 3. Minimum Wage Employment by Selected Industry

¹ This survey is based on employment covered by the Unemployment Insurance system. It cannot address the approximately seven percent of workers who are not covered. It seems likely there is additional employment at the minimum wage among these workers, particularly in agriculture, that remains outside the scope of this survey.

Flexible Work Schedules

The availability of flexible work schedules appears to have increased since the last survey in 2005, particularly at larger firms. In 2005, we found that 25 percent of the state’s private workforce worked where flexible schedules are available to the majority of the workforce. In 2010, the percentage has jumped to 44 percent. This benefit is mostly unchanged at smaller firms; the increase in availability is mostly at firms with more than 50 employees.

Another change from the 2005 survey is where the firms offering flextime are located. Then, it was most common at Sussex County employers, with New Castle and Kent counties about equal. Now, New Castle employers are most likely to offer flexible schedules and Kent County employers are least likely.

The industries where flexible schedules are likely to be offered have not changed; it is most common in Food Services and Retail and least common in Construction and Manufacturing.

College tuition assistance as a benefit of employment has become less common in recent years, especially at smaller firms.



Telecommuting

Telecommuting has continued to slowly grow in Delaware. Twenty-seven percent of the employers responding to the current survey said that at least some of their workers sometimes telecommute. This is a statistically significant increase from 22 percent in 2005. Our first survey in 1997 found 17 percent of employers allowing some telecommuting.

While the number of firms which allow telecommuting has increased, it still tends to be a minority of workers who telecommute at most firms. Of the 129 firms which have some telecommuting, 87 firms (two-thirds) say that less than 10 percent of their workforce sometimes telecommutes. Less than one-quarter of firms report more than 20 percent of their workforces as sometimes telecommuting.

Telecommuting remains more common at larger firms. One-third of the responding firms with 100 or more employees have some telecommuting, while one-quarter of the firms with fewer than 100 employees have some telecommuting.

Tuition Assistance

College tuition assistance as a benefit of employment has become less common in recent years, especially at smaller firms. Thirteen percent of the firms with fewer than 100 workers say they provide college tuition assistance. This is a statistically significant decline from 17 percent in 2005. As recently as 2001, 23 percent of these smaller employers provided this benefit. At larger firms, 59 percent have tuition assistance plans, about the same as the 60 percent we found in the 2005 survey. In 1997, 77 percent of the firms with 100 or more workers had tuition assistance plans.

Tuition assistance availability does not vary much by county. In Kent County, 25 percent of the firms surveyed offer this benefit, in New Castle County, 22 percent and in Sussex County, 19 percent.

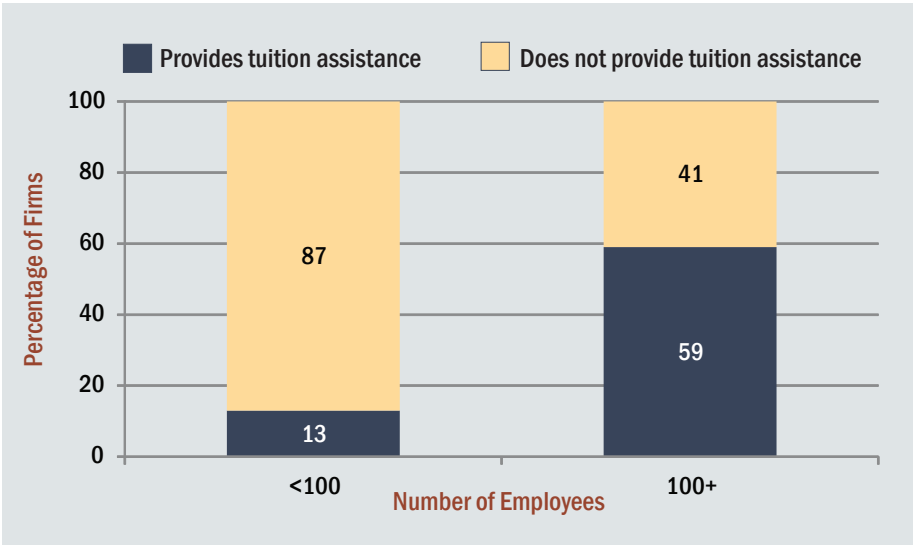


FIGURE 4. College Tuition Assistance by Firm Size



II. Paid Time Off

Firms were asked whether they provide their full-time and part-time workers paid time off for a variety of reasons. Between the 2001 and 2005 benefits surveys, we found significant declines in paid time off as a work benefit. The 2010 survey shows that this trend has mostly continued. There were significant declines in paid holidays, vacation time, and personal time for full-time workers at small firms. The only significant increase was for paid military leave at large firms. In most of the other categories, the provision of paid time off was less than we found in 2005, but the change was not statistically significant.

Our first two surveys in 1997 and 1999 found that workers in Delaware were more likely to receive paid time off than their counterparts across the nation. By 2005, that had changed, and Delaware workers no longer enjoyed an edge in paid time off. The federal government has changed its benefits survey, and direct comparisons are possible now in only three categories: paid vacation and sick leave, where Delaware and US workers are essentially the same, and paid personal leave, which is slightly less common in Delaware. Forty percent of private full-time workers have paid personal leave in the state, compared with 43 percent nationally.

In our previous studies, Delaware's employers were divided into two size categories to match the federal studies,

Small (fewer than 100 employees), and Large (100 or more employees). We retain these categories for ease of comparison with our previous reports, even as the federal government has dropped them. The cutoff of firm size at 100 workers makes for a nearly even division; 48.4 percent of the state's private workers are at firms with fewer than 100 workers, while 51.6 percent are at firms with 100 or more workers. We also retain from our previous reports the Very Small category for firms with fewer than 10 employees, where 13.5 percent of the state's private workforce is employed. This category is a subset of the Small category; a firm with fewer than 10 employees would be reported in both the Very Small and

Small categories. It should be noted that the categories refer only to the firm's Delaware employment levels. A branch of a major corporation which employs fewer than 100 people in the state would be placed in the Small category (and Very Small, if it has fewer than 10 employees in Delaware).

A total of 421 small firms with a combined 11,142 workers (8,093 full-time) responded to our survey. Of these, 164 firms had fewer than 10 employees, putting them into the Very Small category as well. There were 95 large firms which responded; they had a combined 53,046 employees, 42,200 of whom work full-time.

TABLE 1. Percentage of Full-time Workers in Delaware Receiving Paid time Off for Selected Reasons

	Large Firms	Small Firms	Very Small Firms
Holidays	96	81	76
Vacation	97	87	79
Sick leave	90	61	62
Military leave	76	24	20
Jury duty leave	93	53	52
Personal leave	48	32	35
Maternity leave	70	27	30
Paternity leave	37	17	21

TABLE 2. Percentage of Part-time Workers in Delaware Receiving Paid Time Off for Selected Reasons

	Large Firms	Small Firms	Very Small Firms
Holidays	60	25	5
Vacation	64	24	7
Sick leave	52	16	6
Military leave	44	7	3
Jury duty leave	61	18	5
Personal leave	22	10	5
Maternity leave	43	10	4
Paternity leave	15	5	2

Holidays

The provision of paid holidays for full-time workers was lower than we found five years ago, while part-time workers were a little more likely to receive paid holidays. Both of these changes were statistically significant only in small firms, those with fewer than 100 workers.

At large firms, 96 percent of full-time workers receive paid holidays, close to the 98 percent we found in 2005. At small firms, 81 percent of full-time workers receive paid holidays, down from 91 percent in 2005.

There are larger differences in the provision of paid time off between large, small, and very small firms among part-time workers than among full-time workers. Sixty percent of the part-time workers at large firms receive paid holidays, up from 55 percent in 2005. One-quarter of the part-time workforce at small firms receives paid holidays, a significant increase from the 16 percent we found in 2005. At very small firms, only 5 percent of the part-time workforce receives paid holidays, down from 20 percent in 2005. In 2001, 34 percent of the part-time workers at very small firms received paid holidays.

There were no significant changes in the provision of paid sick leave, with the exception of a decline for part-time workers at very small firms.



Vacation

Although paid vacation for full-time workers was reported at 100 percent in 2005 and fell to 97 percent in this report, that decline was not statistically significant. It remains universal, or nearly so, at large firms. There was a significant decline at small firms, where it fell from 94 percent in 2005 to 87 percent in 2010. The overall weighted average of 92 percent of all full-time workers in Delaware receiving paid vacation is about the same as the 91 percent for the US.

For part-time workers, the only significant change from 2005 was a decline at very small firms from 24 percent receiving paid vacation time to just 7 percent. The percentage at large firms ticked up to 64 percent from 57 percent, while at small firms it fell from 26 percent to 24 percent, but neither change was statistically significant.

Sick Leave

There were no significant changes in the provision of paid sick leave, with the exception of a decline for part-time workers at very small firms. Responses for full-time workers were nearly identical to five years ago, while apparent increases for part-time workers at large and small firms fell just short of statistical significance.

Ninety percent of full-time workers at large firms receive paid sick leave. At small firms, it is 61 percent, identical to what we found five years ago and down from 70 percent in 2001. As with most paid time off for full-time workers, there is little difference between small and very small firms.

About half (52 percent) of the part-time workers at large firms can receive paid sick leave. This falls to 16 percent at small firms and 6 percent at very small firms. This last number is down from 18 percent in 2005.



Military Leave

Although the federal government requires that employers allow members of the National Guard or Reserves to take time off for military training and then return to their jobs, there is no requirement that employers pay workers for this time. Some do not; some make up the difference between the worker's normal salary and military pay, and others pay full salary. We ask employers only if their employees in the Guard or Reserves receive paid time off, not if it is full or partial pay.

There were significant increases in paid time off for military service at large employers, without much change at smaller employers. This reverses the significant decline we found in 2005.

About three-quarters (76 percent) of the workers at large firms work where paid time off for military duty is available, up from 44 percent in 2005. At small firms it falls to about one-quarter (24 percent). It falls further to 20 percent at very small firms.

For part-time workers, there was also an increase at large firms, while it remained at very low levels at smaller firms. Forty-four percent of the part-time workers in large firms work where this benefit is available. That number falls to seven percent at small firms and three percent at very small firms.

Jury Duty Leave

There was little change in paid time off for jury duty, although an apparent increase for part-time workers at large firms fell just short of statistical significance. At large firms, 93 percent of the full-time employees work where paid jury benefits are available, up from 89 percent in 2005. Just over half of the full-time workers at small and very small firms (53 percent and 52 percent, respectively) can receive paid jury duty time. These numbers are almost identical to the 51 percent and 53 percent we found in 2005.

Among part-time workers, 61 percent at large firms work where paid jury duty is a benefit, falling to 18 percent at small firms and 5 percent at very small firms. Those percentages were 48 percent, 12 percent, and 9 percent, respectively, in 2005.

Personal Leave

Instead of providing paid time off for specific reasons, some employers allot a fixed number of paid personal days to be taken at the employees' discretion. A decrease in sick time, vacation, or paid holidays could be offset by an increase in personal days, leaving workers at least as well off as before. Paid personal leave has become more common in Delaware, at least for full-time employees at large firms, which may account for some of the marginal declines found in other specific types of paid leave. Forty percent of full-time workers in the state have paid personal leave, close to the 43 percent found nationally.

At large firms in Delaware, 48 percent of the full-time workers receive paid personal time, a significant increase over the 27 percent found in 2005. At small firms 32 percent and at very small firms 35 percent of full-time workers get paid personal time, both marginally higher than in 2005.

Part-time workers did not see much change in paid personal time at any size firm. Twenty-two percent of the part-time workers in large firms receive paid personal time, while 10 percent at small firms and 5 percent at very small firms receive this benefit.

Maternity and Paternity Leave

Paid maternity and paternity leave availability remained mostly unchanged since 2005, with the exception of an increase in maternity leave for part-time workers at large firms. Paid maternity leave remained much more common than paid paternity leave.

Seventy percent of the full-time workers at large firms work where paid maternity leave is available. In 2005 it was 63 percent, but this change is below the threshold of statistical significance. At small firms, 27 percent of full-time workers are employed where paid maternity leave is available, similar to the 31 percent found in 2005. The 30 percent figure for very small firms is also similar to the 28 percent found in 2005.

Paid paternity leave remains roughly half as common as paid maternity leave. At large firms, 37 percent of the full-time workforce is employed where it is an option; at small firms, 17 percent, and at very small firms, 21 percent can get paid paternity leave.

Part-time workers are less likely to receive paid maternity leave than full-time workers, even with the increase at large firms. There, the proportion rose to 43 percent from 26 percent in 2005. It drops down to 10 percent at small firms and 4 percent at very small firms, similar to what we found in 2005.

Paid paternity leave for part-time workers remained rare. Fifteen percent of the part-time workers at large firms had access to this benefit, dropping to five percent at small firms and two percent at very small firms. These numbers were statistically unchanged from 2005.

**At large firms,
93 percent of the full-time
employees work where
paid jury benefits are available,
up from 89 percent in 2005.**



III. Health Care and Retirement Benefits

There have been continuing declines in the number of private firms offering health care coverage to their employees, particularly among medium and large-sized firms. The number of workers employed where health care benefits are not available is the highest we have found in our five surveys. The availability of health care benefits probably peaked at Delaware's private employers about a decade ago. Of the five size classes we use in this analysis, there were statistically significant declines in the two largest, declines that fell short of statistical significance in two others, and one which was the same as in 2005.

Among firms with one to four employees, 42 percent say they do make health care benefits available, down from 50 percent in 2005 and 57 percent in 2001. Our first survey found that 49 percent of these smallest firms offered health care in 1997; that dropped to 45 percent in 1999.

At firms with five to nine workers, 59 percent say health care benefits are available, the same percentage as in 2005. This is down, however, from the cumulative average from the 1997, 1999, and 2001 surveys, when 69 percent of the firms in this size class provided health care.

There was an apparent decline among firms with between 10 and 19 workers, also. In the current survey, 68 percent of the firms said they make coverage available, down from 74 percent in 2005. The 1997 through 2001 cumulative average in this size class was 79 percent.

The two largest size classes both saw significant declines from 2005. At firms with 20 to 49 workers, 76 percent say health care benefits are available, down from 85 percent in 2005. The 1997 – 2001 cumulative average was 92 percent. In this size class and in all the smaller size

classes, the average employment at firms which offered health care benefits and at those which did not was about the same. This means that the percentage of workers employed where health care benefits are offered is the same as the percentage of firms offering them. In the largest size category, this is not the case.

Among firms with 50 or more workers, the percent offering benefits has declined significantly since 2005, from 95 percent to 87 percent. The cumulative average in this size class from 1997 – 2001 was 98 percent. The largest firms within this class are more likely to offer health care benefits, so 95 percent of the workforce is employed where these benefits are available. This is down from 98.6 percent in 2005 and 99.5 percent in 2001. Overall, 84 percent of the workforce at private firms in Delaware is employed where health care benefits are available.

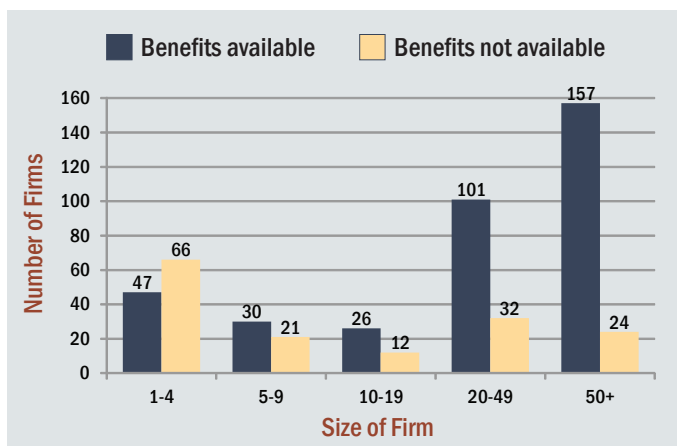


FIGURE 5. Number of Firms in Survey Sample Providing Health Insurance Data by Firm Size

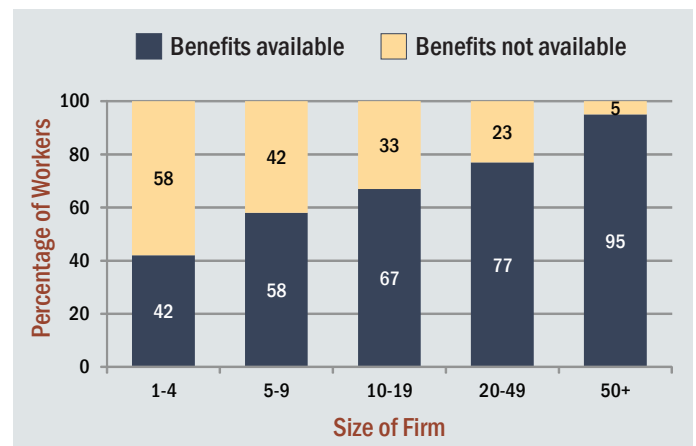


FIGURE 6. Availability of Health Insurance to Workers by Firm Size

Worker Contributions Towards Health Care Coverage

There were no major changes in worker contributions towards their health care coverage. The largest firms remain unlikely to pick up the entire cost, while smaller firms are marginally less likely to cover all costs than in 2005.

At firms with 100 or more workers, only 11 percent require no worker contribution. In 2005, it was 10 percent. Even within this size class, larger firms are more likely to require that workers pay some share of health care cost – the average size of firms who do is 610 employees, while the firms that pay the entire health care cost average 407 employees.

At firms with 10 to 99 workers, more than two require workers' contributions for every one that does not. The 76 percent requiring worker contributions is a little above the 65 percent we found in 2005.

The very smallest firms are most likely to pay the entire cost of health care. This has been a consistent finding in all five of the benefits surveys we have done.

The very smallest firms are most likely to pay the entire cost of health care. This has been a consistent finding in all five of the benefits surveys we have done. In 2005, it was split evenly, with 50 percent paying the entire cost and 50 percent requiring some worker contributions. Currently, we find that 45 percent make health care benefits available without requiring worker contributions.

TABLE 3. Employee Contribution Towards the Cost of Health Care Coverage

Number of Employees	Percentage of Firms Where:	Average Size of Firm
100+	Employees Contribute to Cost of Health Benefits.....89%	610
	Employees Do Not Contribute to Cost.....11%	407
10-99	Employees Contribute to Cost of Health Benefits.....76%	44
	Employees Do Not Contribute to Cost.....24%	36
1-9	Employees Contribute to Cost of Health Benefits.....55%	3
	Employees Do Not Contribute to Cost.....45%	4

TABLE 4. Provision of Health Care Benefits by Firm Size and Type of Plan

Number of Employees	% of Firms Offering Coverage	Percent of Covered Employees by Type of Plan		
		FFS	HMO	PPO
1 to 4	42	12	17	48
5 to 9	59	14	22	46
10 to 19	68	5	14	29
20 to 49	76	7	20	54
50+	87	4	19	46

Note: Row totals reflect actual firm reporting and do not sum to 100 percent.

Type of Health Care Coverage

Preferred provider organizations (PPOs) continue to be the most popular form of health care coverage at Delaware's employers, with 46 percent of the state's private workforce with coverage enrolled. PPOs are about equally popular at large and small firms. Health Maintenance Organizations (HMOs) have declined further in popularity; on average, 19 percent of the covered workforce has HMO coverage, down from 34 percent in 2005 and 44 percent in 2001. This decline has been noted at all firm sizes. More traditional fee-for-service (FFS) plans also show a further reduced role, comprising just six percent of the covered workforce, down from eight percent in 2005. FFS plans are most often found at the smallest employers, but even there, they are relatively rare now.

Total percentages across the three options given (FFS, HMO, and PPO) are considerably below the total percentage from previous surveys (we do not adjust the percentages reported by employers). Across all firm sizes, 71 percent of covered workers were reported in one of these three types of plans. In 2005, it was 89 percent and in 2001 it was 93 percent. It may be the case that there are now more workers in different types of plans, such as Point of Service (POS) plans and Health Savings Accounts (HSA). We will consider expanding the options in our next benefits survey.

A majority of firms, 58 percent, do not offer employees a choice of health care coverage. This is about the same percentage as the 60 percent we found in 2005. In the current survey, 151 firms say they offer more than one type of plan, and 210 say they offer only one. Choice is more likely at larger firms, a consistent finding across all five of our surveys. The average number of workers at firms with a choice of plans is 266, while firms not offering a choice average 93 workers.

Among firms where all covered workers are enrolled in one type of plan (some employers say that they offer a choice of plans, but also indicate that all covered workers are in one type of plan), PPOs are most popular. The current survey shows 172 firms with all covered workers in one type of plan – at 119 of these firms, the plan is a PPO. The average size of these firms is 190 employees. There were 39 firms out of the 172 whose sole plan is an HMO. The average size of these firms is 56 employees. Only 14 firms report that all of their covered workers are in FFS plans; these firms averaged 36 workers.

Dental and Vision Benefits

The provision of dental benefits appears to be unchanged from 2005. Among large firms, we find the same percentage, 85 percent, saying they offer dental benefits to their employees. This is essentially the same percentage as we found in 2001, as well.

Dental coverage is much less common at smaller firms, but again, there was no change from 2005, except possibly at the very smallest firms. At firms with more than 9 and fewer than 100 employees, 59 percent say they provide dental benefits, slightly more than the 57 percent we found in 2005. At the smallest firms, those fewer than 10 employees, 23 percent say they provide dental benefits, a decline from 27 percent in 2005 that is not statistically significant. In 2001, 36 percent of these smallest firms said they provided dental benefits.

The provision of vision benefits also appears to be unchanged from 2005. There are small declines in all firm size classes, but none large enough to be statistically significant.

At large firms, just over two-thirds (68 percent) say they make vision benefits available, down from three-quarters in 2005. Firm size within this class does not seem to matter. At firms

with from 10 to 99 employees, just under half (48 percent) provide vision benefits, about the same as in 2005 when exactly half said they provided this benefit. Firms that say yes are, on average, slightly larger. Among the smallest firms, 21 percent make vision benefits available, slightly below the 25 percent found in 2005.

Retirement Benefits

Perhaps the most surprising finding from this survey is that traditional defined-benefit pensions have not disappeared at Delaware's large employers. In fact, they appear to be more common than they were in 2005 and almost as widespread as in 2001.

Our first benefits survey in 1997 found that 69 percent of the full-time workers at firms with 100 or more employees participated in traditional defined benefit pension plans. That fell to 61 percent in 1999, fell further to 54 percent in 2001, and then plummeted to 34 percent in 2005. The current survey finds that 48 percent of the full-time workers at firms with 100 or more employees participated in traditional defined benefit pension plans, an increase which is statistically significant at the 95 percent confidence

level. With relatively few firms of this size in Delaware, inclusion or exclusion of just a few firms in a survey can change results by a substantial amount. Our examination of the firms responding to this question in 2010 and 2005 leads us to believe that it is the 2005 survey which is the outlier on this question. It is likely that traditional defined benefits did not decline as dramatically in 2005 as we reported, and thus are not increasing as much in 2010 as it appears.

Of the 95 large firms (those with 100 or more workers) which responded to the survey, 7 left the section on retirement blank, leaving 88 usable responses. Eleven firms placed zeroes in all four retirement type options, indicating either that they have no retirement plan or that their retirement plan is not one of the four types listed on the survey form. Twenty firms indicated nonzero participation in a traditional defined-benefit plan, with 50 percent of full-time workers participating the lowest reported amount. Ten firms indicated that all of their full-time workers participated in a traditional defined-benefit retirement plan. Seventy-one of the 88 firms responding said that at

TABLE 5. Provision of Dental and Vision Benefits by Firm Size

Number of Employees	Benefit Type	Provided by Firm?	% of Firms	Average Firm Size
100+	Vision	Yes	68	564
		No	32	545
	Dental	Yes	85	617
		No	15	217
10 to 99	Vision	Yes	48	46
		No	52	37
	Dental	Yes	59	45
		No	41	36
1 to 9	Vision	Yes	21	3
		No	79	3
	Dental	Yes	23	3
		No	77	3

least some of their full-time workers participated in a defined-contribution plan, such as a 401(k). The percentages of employees participating ranged from 1 to 100 percent. Only 6 of the 88 large firms had any workers in a deferred profit sharing plan and only 5 had an employee stock ownership plan.

At smaller firms, those with fewer than 100 workers, there were 21 firms which left all retirement options blank and 400 usable responses. Of those 400, 188 firms reported zero workers in any type of retirement plan. That leaves 212 who reported at least some full-time workers in at least one type of retirement plan, representing 53 percent of the firms responding to the question or 50 percent including the 21 firms who left this section blank. In either case, it is a decline from the 56 percent who reported some plan participation in 2005, which was itself a decline from 61 percent in 2001.

The most common type of retirement plan at Delaware firms with fewer than 100 workers was a defined contribution, 401(k) type plan. Fifty firms reported having all of their full-time workers enrolled, with another 186 reporting participation from 1 percent to 99 percent. There were 212 firms which reported no participation in these type plans. Of the 400 firms responding to this question, 39 reported offering an employee stock ownership plan, a deferred profit sharing plan, or both. Only 23 firms offered a traditional defined benefit plan and only 13 of those reported 100 percent full-time employee participation.

At the smallest firms, those with fewer than 10 workers, seven firms left this section of the survey form blank. There were 99 firms which reported zero workers in retirement plans and 58 firms which reported some participation. That means 37 percent of

the firms with fewer than 10 workers offered at least one type of retirement plan to at least some of their full-time workers, or 35 percent if nonresponses are taken to be zeroes. This is down from 37 percent in 2005 and 44 percent in 2001.

Although defined contribution plans were most commonly reported at the smallest firms, some traditional defined benefit plans still exist. Ten firms reported offering them, with eight reporting that all of their full-time workers were covered. Forty-six firms said they offer defined contribution plans, with the percentage of full-time workers participating ranging from 1 to 100 percent. Deferred profit sharing and employee stock ownership plans were less common, with nine and three firms offering them, respectively.

One interesting fact which emerges is that firms do not appear to substitute one type of plan for another. It appears that some firms place a greater emphasis on retirement plans and have more options and greater participation, while other firms have fewer options and lower participation in those options.

For defined-contribution plans, which require workers to opt in, firms of all sizes which also have other types of plans available see a greater participation in their 401(k) plans. Among large firms, the average 401(k) participation among full-time workers is 58 percent. When a traditional defined benefit plan is also available, participation in 401(k) plans rises to 70 percent. When the 401(k) plan is the only type of plan available, participation averages 52 percent.

The same pattern holds for smaller firms. The overall average participation where a 401(k) is offered is 62 percent of full-time workers at firms with fewer than 100 employees. Where it is the only plan, that falls to 60 percent and where a traditional defined benefit plan is also offered, 401(k) participation rises to 71 percent. At firms with fewer than 10 workers, overall participation in 401(k) plans where one is offered is 78 percent. Where a 401(k) plan is the only type offered, participation is 76 percent; this rises to 100 percent when a traditional defined benefit plan is also offered at the same firm.

TABLE 6. Percentage of Full-time Employees Participating in Retirement Plans by Type

Size Class of Firm (No. of Employees)	Type of Plan	Percent of Workers Covered
100+	Defined Benefit	48
	Defined Contribution	50
	Employee Stock Ownership	2
	Deferred Profit Sharing	3
10-99	Defined Benefit	4
	Defined Contribution	37
	Employee Stock Ownership	2
	Deferred Profit Sharing	6
1-9	Defined Benefit	7
	Defined Contribution	29
	Employee Stock Ownership	1
	Deferred Profit Sharing	5

Appendix

This study was designed, researched, and written by George Sharpley, Ph.D., Senior Economist at the Delaware Department of Labor and Chief of the Office of Occupational and Labor Market Information. Student Intern Natalie Sabadish contributed greatly by drawing the sample, implementing the survey, handling the responses, and providing editorial assistance. Lyn Anderson designed the layout and also provided editorial assistance. All remaining errors are the responsibility of the author. To offer comments, or to request further information, please contact George Sharpley at (302) 761-8060 or george.sharpley@state.de.us.

METHODOLOGY

Sample Selection

The firms selected for inclusion in the survey were drawn from the Quarterly Census of Employment and Wages (QCEW) list of all employers subject to unemployment insurance laws, third quarter 2009. The QCEW is only available with a six month lag, so a list contemporaneous with the survey is not possible. Employment levels are as of July 2009.

Under the assumption that employer size is a primary determinant of the benefits offered to workers, and to ensure accurate representation across all firm sizes, the employer universe was segmented into four size categories prior to selecting the survey sample: employers with from 1 to 19 employees, those with 20 to 49 employees, those with 50 to 249 employees, and employers with 250 or more employees. In all cases, it is the firm's employment in Delaware that matters.

There were only 160 private employers in Delaware with 250 or more workers during the reference period; they employed one-quarter (25 percent) of the state's workers. Due to their importance, they were all included in the survey. The other size classes were randomly sampled, with 320 firms selected from each of the middle two size classes. The smallest firms were over sampled, with 640 included in the survey, both to account for below average return rates and to ensure adequate representation of small employers. Firms in the largest two classes were mailed follow-up survey forms about six weeks after the first mailing.

In all, 516 usable survey firms were returned. Combined, the firms supplying information employ more than 64,000 workers. Table A1 provides a breakdown of response rates by size class.

TABLE A1. Survey Respondents

Size Class (# of Employees)	Survey Forms Returned/Sent	Percent Returned
1 to 19	202/640	31.6%
20 to 49	133/320	41.6%
50 to 249	135/320	42.2%
250+	46/160	28.8%
OVERALL	516/1440	35.8%

While obviously a 100 percent response rate would be most desirable, that is impossible to achieve in a voluntary survey of this size. The 516 usable survey forms returned are enough to provide a high degree of accuracy; the 36 percent response rate is only a problem if the firms responding are substantially

different from those which refuse to respond. There is no evidence that this is so, therefore, no nonresponse corrections have been applied, as these themselves often introduce distortions to the data. The distribution of surveyed firms by industry is provided in Table A2, the breakdown by county in Table A3.

TABLE A2. Survey Distribution by Industry Sector

	Universe		Sent Survey Forms		Returned Forms	
	# Firms	Total Employed	# Firms	Total Employed	# Firms	Total Employed
Agriculture	150	1,669	8	385	4	356
Mining	2	*	0	0	0	0
Construction	3,309	20,428	134	4,525	55	1,936
Manufacturing	652	27,378	72	18,036	42	6,934
Transportation & Warehousing	796	8,137	44	2,471	19	929
Utilities	29	*	4	1,312	1	107
Wholesale Trade	2,261	13,211	99	3,380	23	567
Retail Trade	3,614	50,189	178	27,671	39	2,331
Finance & Insurance	1,705	38,153	87	30,252	18	6,736
Information	374	6,548	17	4,528	2	16
Real Estate & Rental & Leasing	1,015	6,358	43	1,907	15	711
Professional, Science, & Tech. Services	3,703	23,765	148	5,723	71	3,200
Management of Companies	2,230	9,977	68	11,073	11	8,613
Health Care & Social Assistance	2,016	55,256	136	32,188	60	19,500
Education	289	3,898	21	1,414	12	1,112
Accommodation & Food Services	1,914	35,937	165	13,953	57	3,630
Administrative	1,983	21,286	94	8,887	33	2,469
Arts, Entertainment, & Recreation	428	9,032	28	4,271	10	2,072
Other Services	2,092	13,397	94	3,684	44	2,969
TOTAL	28,562	346,770	1,440	175,660	516	64,188

Notes:

1. Universe from July 2009 QCEW.
2. 185 survey forms were returned undeliverable.
3. * Indicates non-releasable data.

TABLE A3. Survey Distribution by County

County	Survey Sample				Universe		
	# of Employers	# of Forms Returned	% of State Total Returned Forms	Total Employment of Firms that Returned Forms	# of Employers	% of State Total	Average Employment
Kent	165	56	11	5,383	3,395	12	12
New Castle	942	336	65	48,040	17,831	62	13
Sussex	279	116	22	10,600	5,665	20	12
Statewide	54	8	2	165	1,671	6	4

Estimation

Estimates of the proportion of employers providing a benefit when the survey question is dichotomous (yes/no) are derived by simply calculating the proportion of “yes” answers, ignoring nonresponses. Estimates of employees covered by the benefits in those questions are arrived at by summing the appropriate type of employment (full or part-time) for each employer responding “yes” and dividing by the total of that type of employment for all firms responding to that question. It should be noted that this really produces an upper bound estimate. If for some reason some employees working where a benefit is offered are either ineligible or choose not to receive the benefit, the actual number of Delaware workers receiving the benefit would be lower. Statistical significance of changes in these variables between the 2005 and 2010 surveys is determined using the following formula:

Estimated standard deviation = $\sqrt{\frac{p_1 q_1}{n_1 - 1} + \frac{p_2 q_2}{n_2 - 1}}$, where

p_a = the proportion of “yes” answers, where a=1 for the 2005 survey and a=2 for the 2010 survey,

q_a = the proportion of “no” answers, where a=1 for the 2005 survey and a=2 for the 2010 survey, and

n_a = the number of firms responding to that question, where a=1 for the 2005 survey and a=2 for the 2010 survey.

A 90 percent level of significance is used, meaning that the difference in proportions between the two surveys must equal or exceed 1.645 standard deviations for the change to be considered significant. A finite population correction factor is applied when the sample exceeds five percent of the universe. This is typically the case when dealing with large firms.

Estimation of continuous variables, such as the proportion of part-time employees, is arrived at by multiplying the response from each firm by its reported employment. The resulting figures are summed across some firm characteristic, such as industry or firm size, and then projected to statewide levels by expanding along that characteristic. Statistical significance is determined by estimating the mean and standard deviation of the hybrid variable (response x firm employment).

SURVEY FORM

Dear Employer,

The Delaware Department of Labor, Office of Occupational and Labor Market Information, is currently conducting its survey of benefits and conditions of employment in the state. This survey, which was last conducted in 2006, is the only source of this information for Delaware’s employers - we need your help to make these data as accurate and useful as possible. All responses will remain strictly confidential; we will release data only across broad categories of firms. Under no circumstances will we release any data on individual firms.

Please take a few minutes to answer the questions below. Your cooperation is crucial and is greatly appreciated. The 2006 report is available on our website. Go to “<http://www.delawareworks.com/oolmi/Home.aspx>” and click on “Publications,” then “Beyond Wages”. The finished report will also be available on our website (expected completion: November 2010).

You may return this form in the envelope provided, or fax it to us at (302) 761-6598.

Contact Person _____ Phone Number _____

Survey continued on next page

What percentage of your employees work part-time? _____%
(Do not include those hired through temp services)

On average, what percentage of your workforce is contracted through temporary employment services? _____%

What percentage of your workers earn exactly the minimum wage (not more than) _____% (\$7.25 per hour for non tip-earning employees)

Does your firm anticipate expanding its labor force in 2010? Yes ____ No ____
If Yes, what percentage will be full-time? _____

Does your firm provide daycare facilities? Yes ____ No ____
Does your firm provide subsidies for daycare? Yes ____ No ____

Does your firm provide college tuition assistance? Yes ____ No ____
Does your firm offer flexible work schedules to a majority of its employees?
Yes ____ No ____

Approximately what percentage of your workforce sometimes telecommutes?
0% ____; 1% to 10% ____; 11% to 20% ____; more than 20% ____

Do employees receive paid time off for:	Full-time Workers		Part-time Workers	
Holidays	Yes ____	No ____	Yes ____	No ____
Vacation	Yes ____	No ____	Yes ____	No ____
Sick Leave	Yes ____	No ____	Yes ____	No ____
Jury Leave	Yes ____	No ____	Yes ____	No ____
Paternity Leave	Yes ____	No ____	Yes ____	No ____
Military Leave	Yes ____	No ____	Yes ____	No ____
Personal Leave	Yes ____	No ____	Yes ____	No ____
Maternity Leave	Yes ____	No ____	Yes ____	No ____

Does your firm provide healthcare benefits? Yes ____ No ____

If Yes, do employees contribute to the cost? (individual coverage) Yes ____ No ____

What percentage of employees with healthcare coverage are enrolled in the following types of plans?

Traditional fee-for-service _____%
Health maintenance organization (HMO) _____%
Preferred provider organization (PPO) _____%

Can employees choose between healthcare plans? Yes ____ No ____

Does your firm provide dental benefits? Yes ____ No ____
Does your firm provide vision benefits? Yes ____ No ____

Approximately what percentage of your firm's full-time employees participate in the following types of retirement plans?

Traditional defined-benefit pension _____% Deferred profit sharing _____%

Defined contribution plan, Employee stock ownership _____%
such as a 401(k) _____%

Thank you very much for your time. We encourage you to call George Sharpley at (302) 761-8060 if you have any questions or comments.

Delaware Department of Labor



Holidays



Vacation



Telecommuting

Tuition Assistance



Office of Occupational & Labor Market Information
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